

In July 2001, the Administrative Wage Garnishment (AWG) Program was established under the Debt Collection Improvement Act of 1996 (DCIA). The DCIA permits Federal Agencies to garnish up to 15 percent of a debtor's disposable pay without first obtaining a court order. AWG is utilized by Private Collection Agencies (PCAs) under contract with the U.S. Department of the Treasury to collect non-tax, delinquent government debt.

AWG has experienced great success as a new debt collection program. Since the program's inception in 2001, Treasury's PCAs have collected over 4 million dollars through AWG. Currently, 14 Federal Agencies have authorized the use of AWG for their debts:

*Railroad Retirement Board (RRF)
James Madison Memorial Fellowship Foundation (JMF)
Department of Housing and Urban Development (HUD, HUG)
Securities & Exchange Commission – Division of Enforcement (SEE)
Nuclear Regulatory Commission (NRC)
Department of Education (EDC)
Defense Finance and Accounting Service (DD1, DD2)
Department of Energy (EN1, ENN, ENP, ENR, ENS)
Department of the Treasury - FMS and Bureau of the Public Debt (TRF, TRV, BPD)
United States Agency for International Development (AID)
General Services Administration (GSA, GSF, GSI)
Commodity Futures Trading Commission (CFT)
Social Security Administration (SSA)
Dept. of Health and Human Services (PSC1, PSC2, PSC9, PSC12, PSC17, PSC19)*

The scope of the AWG Program is described in the sections below.

What are the Statutory and Regulatory Requirements?

The AWG process is authorized by the DCIA, 31 United States Code (U.S.C.) section 3720D and 31 Code of Federal Regulations (CFR), section 285.11. The rules and procedures governing Administrative Wage Garnishment (Final Rule) were published in the Federal Register on May 6, 1998. In accordance with the Final Rule, the Financial Management Service (FMS) established Standard Form 329 (SF-329), which Federal agencies are required to use when issuing AWG orders.

Who are the Users of AWG?

Federal Agencies may use AWG. The Private Collection Agencies (PCAs) under contract with Treasury will assist Federal Agencies by identifying debtors eligible for AWG. The PCA will verify that the debtor has been employed for at least 12 months and issue a notice letter on behalf of the Federal Agency before garnishing the debtor's wages. The PCA will forward to FMS any request for a hearing by a debtor. In addition, the PCA will monitor collections under the AWG Order to ensure employer compliance.

Who Oversees the AWG Program?

The Private Collection Branch within FMS, Debt Management Services, Cross-Servicing Division, has oversight and management responsibility over AWG. The Private Collection Branch monitors PCA activities to ensure their compliance with AWG Regulations and the Contract Task Order.

What is the Employer's Obligation?

The employer is required to comply with the garnishment order by deducting the required amount from the debtor's disposable pay. Non-compliance by the employer may result in legal action.

If you have any questions about the AWG Program, please contact Richard Burnham, Private Collection Branch Manager, on 202-874-5879.